

MasterG.Net CBSE Coaching Classes

Practice Worksheet • Grades VIII – XII

Worksheet_250626

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Subject: Macroeconomics

Topic: Measurement of National Income (Unit 1)

Class: XII (CBSE)

Max Marks: 60

Time Allowed: 2 Hours

Chapter Scope: Value Added, Income & Expenditure Methods

Academic Session: 2026–27

Student's Name:

Roll No.:

Date:

SECTION A: CONCEPTUAL & OBJECTIVE TYPE QUESTIONS

[1 Mark Each × 5 = 5 Marks]

Q1. In the estimation of national income, which of the following is considered an intermediate consumption for an enterprise? **CBSE 2017**

- (a) Purchase of a delivery truck by a transport company
- (b) Electricity consumed in a manufacturing plant
- (c) Installation of a solar power generator in an office
- (d) Purchase of air conditioners for executive cabins

Q2. If Net National Product at Factor Cost (NNP_{FC}) is ₹4,200 Crores, Subsidies are ₹150 Crores, Indirect Taxes are ₹480 Crores, and Net Factor Income from Abroad (NFIA) is (–) ₹60 Crores, then Domestic Income (NDP_{FC}) equals: **CBSE 2019**

- (a) ₹4,140 Crores
- (b) ₹4,260 Crores
- (c) ₹4,530 Crores
- (d) ₹3,870 Crores

Q3. Assertion (A): Expected obsolescence of fixed capital assets due to technological advancement is accounted for in Consumption of Fixed Capital (Depreciation).

Reason (R): Unforeseen obsolescence and damages caused by natural calamities are treated as capital losses and are not included in depreciation.

CBSE 2021

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true but (R) is NOT the correct explanation of (A).
- (c) (A) is true but (R) is false.
- (d) (A) is false but (R) is true.

Q4. State whether the purchase of wheat by households from a retail outlet is a final expenditure or an intermediate expenditure. Give a concise reason. **CBSE 2015**

Q5. Distinguish precisely between 'Factor Income earned by Normal Residents abroad' and 'Transfer Payments received from abroad' with respect to their treatment in National Income. **CBSE 2018**

SECTION B: SHORT ANSWER & CONCEPTUAL APPLICATIONS

[13 Marks]

Q6. How should the following transactions be treated while estimating the National Income of India? Provide valid economic reasoning for each: **CBSE 2014, 2020**

- (i) Capital gains arising from the sale of an ancestral residential plot. [1 Mark]
- (ii) Brokerage / commission paid to an agent on the purchase of a second-hand residential flat. [1 Mark]
- (iii) Free meals provided by an employer to employees in the staff cafeteria. [1 Mark]

Q7. "Gross Domestic Product (GDP) is not a fully adequate indicator of the economic welfare of a nation." Defend or refute this statement by giving three substantive limitations with relevant illustrations. **CBSE 2011, 2016, 2022** [3 Marks]

Q8. Explain the problem of 'Double Counting' in the measurement of national income using a suitable production chain illustration. State two distinct methods used by national income accountants to avoid this error. **CBSE 2012, 2019** [3 Marks]

Q9. (a) If Real GDP of an economy is ₹600 Crores and the Price Index (GDP Deflator) is 125, calculate Nominal GDP. [2 Marks]

(b) If Nominal GDP increases from ₹4,000 Crores to ₹5,400 Crores while the price index rises from 100 to 135 during the same period, examine whether there has been any real expansion in physical output. **CBSE 2015, 2023** [2 Marks]

SECTION C: VALUE ADDED (PRODUCT) METHOD NUMERICALS

[13 Marks]

Q10. From the following data pertaining to Firm Alpha, calculate: (i) Value of Output, and (ii) Gross Value Added at Market Price (GVA_{MP}): **CBSE 2013** [3 Marks]

S.No.	Particulars	Amount (₹ in Lakhs)
1	Domestic Sales	1,200
2	Exports	300
3	Closing Stock	250
4	Opening Stock	180
5	Purchase of raw materials from domestic market	650
6	Import of raw materials	150
7	Replacement investment (Depreciation)	80
8	Goods & Services Tax (GST)	120

Q11. From the following information regarding an economy with only two productive firms (Firm X and Firm Y), determine: **(a) Value added by Firm X and Firm Y**, and **(b) Net Domestic Product at Factor Cost (NDP_{FC})**: **CBSE 2016, 2020** [4 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Sales by Firm X to Firm Y	180
2	Sales by Firm X to households	220
3	Exports by Firm X	60
4	Sales by Firm Y to government	350
5	Sales by Firm Y to households	400
6	Imports by Firm X	70
7	Change in stock of Firm X	(+) 30
8	Change in stock of Firm Y	(-) 20
9	Purchases by Firm Y from domestic market (other than Firm X)	110
10	Consumption of fixed capital (both firms combined)	45
11	Indirect taxes paid by both firms	55
12	Subsidies received by both firms	15

Q12. In an economic territory, Net Value Added at Factor Cost (NVA_{FC}) of an enterprise is ₹560 Crores. Find the missing value of **Domestic Sales** from the data given below: **CBSE 2017, 2021** [6 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Exports	140
2	Net indirect taxes	85
3	Opening stock	90
4	Closing stock	125
5	Intermediate purchase of raw materials	380
6	Import of machinery	110
7	Consumption of fixed capital	45
8	Subsidies	20

SECTION D: INCOME METHOD NUMERICALS

[10 Marks]

Q13. From the data presented below, compute: **(i) Operating Surplus**, and **(ii) Net Domestic Product at Factor Cost (NDP_{FC})**: **CBSE 2014, 2019** [4 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Wages and salaries in cash	1,450
2	Rent and royalties	340
3	Interest paid by production units	410
4	Dividend	220
5	Undistributed profits	130
6	Corporate profit tax	90
7	Employers' contribution to social security schemes	160
8	Employees' contribution to social security schemes	110
9	Mixed income of self-employed	720
10	Old age pensions paid by government	85

Q14. National Income (NNP_{FC}) of an economy is ₹4,500 Crores. Find the missing values of **Operating Surplus** and **Net Exports** from the following comprehensive data: **CBSE 2018, 2022** [6 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Compensation of employees	2,100
2	Mixed income of self-employed	800
3	Operating surplus	?
4	Factor income paid abroad	180
5	Factor income received from abroad	120
6	Net indirect taxes	320
7	Consumption of fixed capital	250
8	Government final consumption expenditure	1,100
9	Private final consumption expenditure	2,600
10	Net domestic capital formation	920
11	Net exports	?

SECTION E: EXPENDITURE METHOD NUMERICALS
[10 Marks]

Q15. Calculate **Gross National Product at Market Price (GNP_{MP})** and **Domestic Income (NDP_{FC})** from the following data: **CBSE 2012, 2017** [4 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Private final consumption expenditure	3,200
2	Government final consumption expenditure	1,050
3	Gross domestic fixed capital formation	820
4	Change in stock	130
5	Exports	180
6	Imports	240
7	Net indirect taxes	290
8	Consumption of fixed capital	160
9	Net factor income from abroad (NFIA)	(-) 50

Q16. Calculate: **(a) Net Domestic Capital Formation**, and **(b) Gross National Product at Factor Cost (GNP_{FC})** from the given economic metrics: **CBSE 2015, 2021** [6 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Gross domestic product at market price (GDP_{MP})	5,800
2	Private final consumption expenditure	3,450
3	Government final consumption expenditure	1,250
4	Net exports	(-) 70
5	Consumption of fixed capital	220
6	Net indirect taxes	380
7	Factor income to abroad	140
8	Factor income from abroad	90
9	Net capital transfers from the rest of the world	65

SECTION F: INTEGRATED MULTI-METHOD SYNTHESIS
[6 Marks Each × 2 = 12 Marks]

Q17. Calculate **National Income (NNP_{FC})** using: **(a) Income Method**, and **(b) Expenditure Method** from the following unified macroeconomic dataset. Verify that both methods yield identical results: **CBSE 2013, 2018, 2023** [6 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Compensation of employees	1,850
2	Private final consumption expenditure	2,800
3	Rent, interest and royalty	940
4	Government final consumption expenditure	1,020
5	Profits after tax	480
6	Corporate tax	120
7	Net domestic fixed capital formation	680
8	Change in inventory (stock)	70
9	Mixed income of self-employed	610
10	Net imports	50
11	Net factor income from abroad (NFIA)	(-) 40
12	Indirect taxes	350
13	Subsidies	90
14	Depreciation (Consumption of fixed capital)	180

Q18. A small open economy has three productive enterprises (P, Q, and R). Calculate **Gross National Product at Market Price (GNP_{MP})** by the Value Added Method and verify it with the Expenditure Method using the consolidated figures below: **CBSE 2016, 2022** [6 Marks]

S.No.	Particulars	Amount (₹ in Crores)
1	Sales by Firm P to households: 400; to Firm Q: 250; to Firm R: 150	800
2	Sales by Firm Q to households: 550; to Firm R: 100; Exports: 150	800
3	Sales by Firm R to government: 500; to households: 350; to Firm P: 50	900
4	Change in stocks: Firm P: (+) 50; Firm Q: (-) 30; Firm R: (+) 40	60
5	Imports of intermediate raw materials: Firm P: 80; Firm Q: 60; Firm R: 70	210
6	Net factor income from abroad (NFIA)	(-) 35
7	Consumption of fixed capital (total across all firms)	95
8	Gross domestic capital formation (fixed + inventory)	390

*Note: All inter-firm sales and purchases must be deducted strictly under intermediate consumption to prevent double counting.